

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE ELECTRONIC APPLICATION OF CUMBERLAND)	
VALLEY ELECTRIC, INC. FOR A GENERAL ADJUSTMENT)	CASE NO.
OF RATES PURSUANT TO STREAMLINED PROCEDURE PILOT)	2020-00264
PROGRAM ESTABLISHED IN CASE NO. 2018-00407)	

CUMBERLAND VALLEY ELECTRIC INC.'S
RESPONSE TO COMMISSION STAFF'S SUPPLEMENTAL DATA REQUESTS

Filed: December 7, 2020

Cumberland Valley Electric, Inc.
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Commission Staff's Supplemental Data Requests

1. Refer to the Application, Exhibit 9, the Direct Testimony of John Wolfram, Exhibit JW-2, page 1 of 25, line 34. Explain the cash receipts from lenders of \$8,071.

Response:

The cash receipts from lenders of \$8,071 shown in Exhibit JW-2, page 1, line 34 is the amount of "Cash Received From Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System" pursuant to the RUS definition of Operating TIER. The number reflects the amount provided to Cumberland Valley Electric from CoBank. The amount is specified in the annual RUS Financial and Operating Report (formerly known as the RUS Form 7), Part I, Item 2b. The amount is required to be added to the Interest on Long-Term Debt in the numerator of the OTIER calculation pursuant the RUS definition of Operating TIER.

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2. Refer to the Application, Exhibit 27.
- a. Refer to pages 1-5. Provide an explanation for each charge listed that is not paid to a board member, and whether that charge should be allocated to a board member or members.
 - b. Refer to pages 2-5. Indicate which members are active and which members are no longer active.
 - c. Refer to pages 2-5. For the excluded portions, provide an explanation for the percentage or dollar amount to be excluded from rates.

Response:

- a. The table below provides an explanation for each charge not paid directly to a Cumberland Valley board member listed in Exhibit 27 of the Application. Charges in the test year for NRECA Group Benefit Trust, Delta Dental of Kentucky, Inc., ARC Administrators and East KY Power Medical are broken down by director in Cumberland Valley's response to Attorney General's 1st Request for Information Item No. 17 Page 14 of 15.

Cumberland Valley - 930.10 Director Expense (Not Paid Directly to Board Member)				
<u>Date</u>	<u>Vendor Name/Reference</u>	<u>Invoice</u>	<u>Amount</u>	<u>Explanation of Charge</u>
Various	NRECA Group Benefit Trust	Various	Various	These twelve-monthly charges in 2019 were for Directors Life Insurance and Accidental Death and Dismemberment (AD&D) Insurance.

<u>Date</u>	<u>Vendor Name/Reference</u>	<u>Invoice</u>	<u>Amount</u>	<u>Explanation of Charge</u>
Various	Delta Dental of Kentucky, Inc.	Various	Various	These twelve-monthly charges in 2019 were for Directors Dental Insurance.
Various	ARC Administrators	Various	Various	These twelve-monthly charges in 2019 were for the Directors administrative cost for health insurance.
Various	East KY Power Medical	Various	Various	These twelve-monthly charges in 2019 were for the Directors health insurance premiums.
Various	Insurance Spread (Federated)	N/A	Various	These twelve-monthly charges are to account for Directors liability insurance through Federated Insurance.
1/20/19	Visa	20190130065911	\$123.21	Food purchased for the January 2019 board meeting
3/19/19	Marsha Yeager Messer	319195	\$20.88	Mileage reimbursement to Cumberland Valley employee for use of personal vehicle to pick up food for the February and March board meetings.
3/19/19	Visa	20190404094443	\$163.18	Food purchased for the March 2019 board meeting
3/19/19	Visa	20190404095725	\$240.83	Food purchased for the February 2019 board meeting
3/31/19	Keying of Kevin Moses Invoice	N/A	\$6,286.67	Kevin Moses Invoice was keyed to the wrong General Ledger account, this entry was to correct that error. The invoice was for his trip to the 2019 NRECA annual meeting.
4/18/19	Visa	20190501135449	\$187.17	Food purchased for the April 2019 board meeting
4/23/19	Marsha Yeager Messer	42319	\$10.44	Mileage reimbursement to Cumberland Valley employee for use of personal vehicle to pick up food for the April board meeting.

<u>Date</u>	<u>Vendor Name/Reference</u>	<u>Invoice</u>	<u>Amount</u>	<u>Explanation of Charge</u>
5/19/19	Visa	20190530081857	\$3,515.47	There are two charges that make up this total: 1) NRECA Director Classes for James D Lewis for \$3,336.00 2) Food purchased for May 2019 board meeting for \$179.47
5/31/19	General Information Services, Inc.	2019050886	\$48.00	Background check for Elbert Hampton, this is a requirement due to Mr. Elbert Hampton representing Cumberland Valley on East Kentucky Power's Board of Directors.
6/18/19	Visa	20190625104713	\$1,709.88	There are two charges that make up this total: 1) Lodging for James D Lewis while participating in NRECA Director Classes for \$1,542.80 2) Food purchased for June 2019 board meeting for \$167.08
6/19/19	Marsha Yeager Messer	619191	\$9.28	Mileage reimbursement to Cumberland Valley employee for use of personal vehicle to pick up food for the June board meeting.
7/19/19	Visa	20190806110933	\$204.14	Food purchased for the July 2019 board meeting.
8/31/19	Visa	93194	\$178.94	Food purchased for the August 2019 board meeting.
11/18/19	Visa	20191205085059	\$176.85	Food purchased for the November 2019 board meeting.
11/20/19	Marsha Yeager Messer	11201911	\$27.84	Mileage reimbursement to Cumberland Valley employee for use of personal vehicle to pick up food for the October and November board meeting.
11/30/19	Visa	1251911	\$200.05	Food purchased for the October 2019 board meeting.

<u>Date</u>	<u>Vendor Name/Reference</u>	<u>Invoice</u>	<u>Amount</u>	<u>Explanation of Charge</u>
12/19/19	Visa	20200103092100	\$182.93	Food purchased for the December 2019 board meeting.
12/31/19	Correct Posting ARC Admin Invoice	N/A	\$9.68	Entry to reallocate expense due to rate increase from ARC Administrators invoice.

- b. Cumberland Valley currently has five active board members. Those same five board members were serving on Cumberland Valley Board during the 2019 test year. Below is the list of active and no longer active board members.

Active Board Members

Elbert R Hampton

Lansford H Lay

Vernon Shelley

James D Lewis

Kevin R Moses

No Longer Active Board Members

Delno Tolliver

Roy Ferguson

Kermit A Creech

Chester A Davis

Roger Vanover

- c. Refer to pages 6 - 8 of this response for an explanation of the dollar amounts to be excluded from rates for each charge. Many of the excluded items are a result of the adoption of the new “Insurance and Other Benefits and Payments for Directors” policy that became effective April 1, 2020. Refer to the Direct Testimony of Robert D Tolliver, Pages 10 – 11, in the Application for a detailed explanation of changes made to Directors compensation. Cumberland Valley also addresses this topic in its response to Attorney General First Request for Information Item 17(a).

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Cumberland Valley - 930.10 Directors Expense

Date	Vendor Name	Invoice	Amount	Include	Exclude	Reason for Exclusion
1/23/2019	MOSES, KEVIN R	123199	\$ 1,555.89		\$ 1,555.89	Cost not incurred in 2019 meeting was in December 2018
4/3/2019	TOLLIVER, DELNO	431913	\$ 300.00	\$ 255.00	\$ 45.00	Reduction in Emeritus Fee Starting in April 2020 Factored into Pro Forma Adjustments
4/3/2019	CREECH, KERMIT A	431915	\$ 500.00	\$ 425.00	\$ 75.00	Reduction in Emeritus Fee Starting in April 2020 Factored into Pro Forma Adjustments
4/3/2019	DAVIS, CHESTER A	431916	\$ 500.00	\$ 425.00	\$ 75.00	Reduction in Emeritus Fee Starting in April 2020 Factored into Pro Forma Adjustments
4/3/2019	VANOVER, ROGER D	431922	\$ 500.00	\$ 425.00	\$ 75.00	Reduction in Emeritus Fee Starting in April 2020 Factored into Pro Forma Adjustments
4/3/2019	FERGUSON, ROY	431914	\$ 300.00	\$ 255.00	\$ 45.00	Reduction in Emeritus Fee Starting in April 2020 Factored into Pro Forma Adjustments
4/3/2019	NRECA GROUP BENEFITS TRUST	19041077	\$ 191.48	\$ 165.09	\$ 26.39	Active Directors Pay a Portion of their Life and AD&D Insurance Starting in April 2020 Factored into Pro Forma Adjustments
4/3/2019	HAMPTON, ELBERT R	431917	\$ 1,009.28	\$ 509.28	\$ 500.00	Elimination of Monthly Stipend
4/3/2019	SHELLEY, VERNON	431920	\$ 1,554.52	\$ 554.52	\$ 1,000.00	Elimination of Monthly Stipend
4/4/2019	DELTA DENTAL OF KENTUCKY, INC.	319449	\$ 471.68	\$ 112.01	\$ 359.67	Directors Pay a Portion of their Dental Premiums Starting in April 2020 Factored into Pro Forma Adjustments
4/4/2019	EAST KY POWER MEDICAL	44195	\$ 2,422.38	\$ 1,923.56	\$ 498.82	Directors Pay a Portion of their Medical Premiums Starting in April 2020 Factored into Pro Forma Adjustments
5/1/2019	TOLLIVER, DELNO	51191	\$ 300.00	\$ 255.00	\$ 45.00	Reduction in Emeritus Fee Starting in April 2020 Factored into Pro Forma Adjustments
5/1/2019	FERGUSON, ROY	51192	\$ 300.00	\$ 255.00	\$ 45.00	Reduction in Emeritus Fee Starting in April 2020 Factored into Pro Forma Adjustments
5/1/2019	CREECH, KERMIT A	51193	\$ 500.00	\$ 425.00	\$ 75.00	Reduction in Emeritus Fee Starting in April 2020 Factored into Pro Forma Adjustments
5/1/2019	DAVIS, CHESTER A	51194	\$ 500.00	\$ 425.00	\$ 75.00	Reduction in Emeritus Fee Starting in April 2020 Factored into Pro Forma Adjustments
5/1/2019	VANOVER, ROGER D	511910	\$ 500.00	\$ 425.00	\$ 75.00	Reduction in Emeritus Fee Starting in April 2020 Factored into Pro Forma Adjustments
5/1/2019	DELTA DENTAL OF KENTUCKY, INC.	325807	\$ 471.68	\$ 112.01	\$ 359.67	Directors Pay a Portion of their Dental Premiums Starting in April 2020 Factored into Pro Forma Adjustments
5/1/2019	NRECA GROUP BENEFITS TRUST	19051077	\$ 191.48	\$ 144.08	\$ 47.40	Active Directors Pay a Portion of their Life and AD&D Insurance Starting in April 2020 Factored into Pro Forma Adjustments
5/1/2019	EAST KY POWER MEDICAL	511918	\$ 2,422.38	\$ 1,923.56	\$ 498.82	Directors Pay a Portion of their Medical Premiums Starting in April 2020 Factored into Pro Forma Adjustments
5/1/2019	HAMPTON, ELBERT R	51195	\$ 1,009.28	\$ 509.28	\$ 500.00	Elimination of Monthly Stipend
5/1/2019	SHELLEY, VERNON	51198	\$ 1,554.52	\$ 554.52	\$ 1,000.00	Elimination of Monthly Stipend
6/5/2019	TOLLIVER, DELNO	65191	\$ 300.00	\$ 255.00	\$ 45.00	Reduction in Emeritus Fee Starting in April 2020 Factored into Pro Forma Adjustments
6/5/2019	FERGUSON, ROY	65192	\$ 300.00	\$ 255.00	\$ 45.00	Reduction in Emeritus Fee Starting in April 2020 Factored into Pro Forma Adjustments
6/5/2019	CREECH, KERMIT A	65193	\$ 500.00	\$ 425.00	\$ 75.00	Reduction in Emeritus Fee Starting in April 2020 Factored into Pro Forma Adjustments
6/5/2019	DAVIS, CHESTER A	65194	\$ 500.00	\$ 425.00	\$ 75.00	Reduction in Emeritus Fee Starting in April 2020 Factored into Pro Forma Adjustments
6/5/2019	VANOVER, ROGER D	651910	\$ 500.00	\$ 425.00	\$ 75.00	Reduction in Emeritus Fee Starting in April 2020 Factored into Pro Forma Adjustments
6/5/2019	DELTA DENTAL OF KENTUCKY, INC.	330677	\$ 471.68	\$ 112.01	\$ 359.67	Directors Pay a Portion of their Dental Premiums Starting in April 2020 Factored into Pro Forma Adjustments
6/5/2019	HAMPTON, ELBERT R	65195	\$ 1,009.28	\$ 509.28	\$ 500.00	Elimination of Monthly Stipend
6/5/2019	SHELLEY, VERNON	65198	\$ 1,554.52	\$ 554.52	\$ 1,000.00	Elimination of Monthly Stipend
6/6/2019	NRECA GROUP BENEFITS TRUST	19061077	\$ 191.48	\$ 144.08	\$ 47.40	Active Directors Pay a Portion of their Life and AD&D Insurance Starting in April 2020 Factored into Pro Forma Adjustments
6/6/2019	EAST KY POWER MEDICAL	66192	\$ 2,422.38	\$ 1,923.56	\$ 498.82	Directors Pay a Portion of their Medical Premiums Starting in April 2020 Factored into Pro Forma Adjustments
7/2/2019	TOLLIVER, DELNO	72191	\$ 300.00	\$ 255.00	\$ 45.00	Reduction in Emeritus Fee Starting in April 2020 Factored into Pro Forma Adjustments
7/2/2019	FERGUSON, ROY	72192	\$ 300.00	\$ 255.00	\$ 45.00	Reduction in Emeritus Fee Starting in April 2020 Factored into Pro Forma Adjustments
7/2/2019	CREECH, KERMIT A	72193	\$ 500.00	\$ 425.00	\$ 75.00	Reduction in Emeritus Fee Starting in April 2020 Factored into Pro Forma Adjustments
7/2/2019	DAVIS, CHESTER A	72194	\$ 500.00	\$ 425.00	\$ 75.00	Reduction in Emeritus Fee Starting in April 2020 Factored into Pro Forma Adjustments
7/2/2019	VANOVER, ROGER D	721910	\$ 500.00	\$ 425.00	\$ 75.00	Reduction in Emeritus Fee Starting in April 2020 Factored into Pro Forma Adjustments
7/2/2019	HAMPTON, ELBERT R	72195	\$ 1,009.28	\$ 509.28	\$ 500.00	Elimination of Monthly Stipend
7/2/2019	SHELLEY, VERNON	72198	\$ 1,554.52	\$ 554.52	\$ 1,000.00	Elimination of Monthly Stipend
7/3/2019	DELTA DENTAL OF KENTUCKY, INC.	337693	\$ 471.68	\$ 112.01	\$ 359.67	Directors Pay a Portion of their Dental Premiums Starting in April 2020 Factored into Pro Forma Adjustments
7/3/2019	NRECA GROUP BENEFITS TRUST	19071077	\$ 191.48	\$ 144.08	\$ 47.40	Active Directors Pay a Portion of their Life and AD&D Insurance Starting in April 2020 Factored into Pro Forma Adjustments
7/3/2019	EAST KY POWER MEDICAL	73193	\$ 2,422.38	\$ 1,923.56	\$ 498.82	Directors Pay a Portion of their Medical Premiums Starting in April 2020 Factored into Pro Forma Adjustments
8/2/2019	VANOVER, ROGER D	821913	\$ 500.00	\$ 425.00	\$ 75.00	Reduction in Emeritus Fee Starting in April 2020 Factored into Pro Forma Adjustments

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8/2/2019	DAVIS, CHESTER A	82197	\$ 500.00	\$ 425.00	\$ 75.00	Reduction in Emeritus Fee Starting in April 2020 Factored into Pro Forma Adjustments
8/2/2019	TOLLIVER, DELNO	82194	\$ 300.00	\$ 255.00	\$ 45.00	Reduction in Emeritus Fee Starting in April 2020 Factored into Pro Forma Adjustments
8/2/2019	FERGUSON, ROY	82195	\$ 300.00	\$ 255.00	\$ 45.00	Reduction in Emeritus Fee Starting in April 2020 Factored into Pro Forma Adjustments
8/2/2019	CREECH, KERMIT A	82196	\$ 500.00	\$ 425.00	\$ 75.00	Reduction in Emeritus Fee Starting in April 2020 Factored into Pro Forma Adjustments
8/2/2019	DELTA DENTAL OF KENTUCKY, INC.	342715	\$ 471.68	\$ 112.01	\$ 359.67	Directors Pay a Portion of their Dental Premiums Starting in April 2020 Factored into Pro Forma Adjustments
8/2/2019	NRECA GROUP BENEFITS TRUST	19081077	\$ 191.48	\$ 144.08	\$ 47.40	Active Directors Pay a Portion of their Life and AD&D Insurance Starting in April 2020 Factored into Pro Forma Adjustments
8/2/2019	EAST KY POWER MEDICAL	82192	\$ 2,422.38	\$ 1,923.56	\$ 498.82	Directors Pay a Portion of their Medical Premiums Starting in April 2020 Factored into Pro Forma Adjustments
8/2/2019	HAMPTON, ELBERT R	82198	\$ 1,009.28	\$ 509.28	\$ 500.00	Elimination of Monthly Stipend
8/2/2019	SHELLEY, VERNON	821911	\$ 1,554.52	\$ 554.52	\$ 1,000.00	Elimination of Monthly Stipend
9/4/2019	DAVIS, CHESTER A	94191	\$ 300.00	\$ 255.00	\$ 45.00	Reduction in Emeritus Fee Starting in April 2020 Factored into Pro Forma Adjustments
9/4/2019	FERGUSON, ROY	94192	\$ 300.00	\$ 255.00	\$ 45.00	Reduction in Emeritus Fee Starting in April 2020 Factored into Pro Forma Adjustments
9/4/2019	CREECH, KERMIT A	94193	\$ 500.00	\$ 425.00	\$ 75.00	Reduction in Emeritus Fee Starting in April 2020 Factored into Pro Forma Adjustments
9/4/2019	DAVIS, CHESTER A	94194	\$ 500.00	\$ 425.00	\$ 75.00	Reduction in Emeritus Fee Starting in April 2020 Factored into Pro Forma Adjustments
9/4/2019	VANOVER, ROGER D	941910	\$ 500.00	\$ 425.00	\$ 75.00	Reduction in Emeritus Fee Starting in April 2020 Factored into Pro Forma Adjustments
9/4/2019	DELTA DENTAL OF KENTUCKY, INC.	348716	\$ 471.68	\$ 112.01	\$ 359.67	Directors Pay a Portion of their Dental Premiums Starting in April 2020 Factored into Pro Forma Adjustments
9/4/2019	NRECA GROUP BENEFITS TRUST	19091077	\$ 191.48	\$ 144.08	\$ 47.40	Active Directors Pay a Portion of their Life and AD&D Insurance Starting in April 2020 Factored into Pro Forma Adjustments
9/4/2019	EAST KY POWER MEDICAL	941916	\$ 2,422.38	\$ 1,923.56	\$ 498.82	Directors Pay a Portion of their Medical Premiums Starting in April 2020 Factored into Pro Forma Adjustments
9/4/2019	HAMPTON, ELBERT R	94195	\$ 1,009.28	\$ 509.28	\$ 500.00	Elimination of Monthly Stipend
9/4/2019	SHELLEY, VERNON	94198	\$ 1,554.52	\$ 554.52	\$ 1,000.00	Elimination of Monthly Stipend
10/2/2019	TOLLIVER, DELNO	102191	\$ 300.00	\$ 255.00	\$ 45.00	Reduction in Emeritus Fee Starting in April 2020 Factored into Pro Forma Adjustments
10/2/2019	FERGUSON, ROY	102193	\$ 300.00	\$ 255.00	\$ 45.00	Reduction in Emeritus Fee Starting in April 2020 Factored into Pro Forma Adjustments
10/2/2019	CREECH, KERMIT A	102194	\$ 500.00	\$ 425.00	\$ 75.00	Reduction in Emeritus Fee Starting in April 2020 Factored into Pro Forma Adjustments
10/2/2019	DAVIS, CHESTER A	102195	\$ 500.00	\$ 425.00	\$ 75.00	Reduction in Emeritus Fee Starting in April 2020 Factored into Pro Forma Adjustments
10/2/2019	VANOVER, ROGER D	1021911	\$ 500.00	\$ 425.00	\$ 75.00	Reduction in Emeritus Fee Starting in April 2020 Factored into Pro Forma Adjustments
10/2/2019	HAMPTON, ELBERT R	102196	\$ 1,009.28	\$ 509.28	\$ 500.00	Elimination of Monthly Stipend
10/2/2019	SHELLEY, VERNON	102199	\$ 1,554.52	\$ 554.52	\$ 1,000.00	Elimination of Monthly Stipend
10/3/2019	DELTA DENTAL OF KENTUCKY, INC.	RIS0002450633	\$ 471.68	\$ 112.01	\$ 359.67	Directors Pay a Portion of their Dental Premiums Starting in April 2020 Factored into Pro Forma Adjustments
10/3/2019	NRECA GROUP BENEFITS TRUST	19101076	\$ 191.48	\$ 144.08	\$ 47.40	Active Directors Pay a Portion of their Life and AD&D Insurance Starting in April 2020 Factored into Pro Forma Adjustments
10/3/2019	EAST KY POWER MEDICAL	103193	\$ 2,422.38	\$ 1,923.56	\$ 498.82	Directors Pay a Portion of their Medical Premiums Starting in April 2020 Factored into Pro Forma Adjustments
11/5/2019	VANOVER, ROGER D	1151910	\$ 500.00	\$ 425.00	\$ 75.00	Reduction in Emeritus Fee Starting in April 2020 Factored into Pro Forma Adjustments
11/5/2019	TOLLIVER, DELNO	115191	\$ 300.00	\$ 255.00	\$ 45.00	Reduction in Emeritus Fee Starting in April 2020 Factored into Pro Forma Adjustments
11/5/2019	FERGUSON, ROY	115192	\$ 300.00	\$ 255.00	\$ 45.00	Reduction in Emeritus Fee Starting in April 2020 Factored into Pro Forma Adjustments
11/5/2019	CREECH, KERMIT A	115193	\$ 500.00	\$ 425.00	\$ 75.00	Reduction in Emeritus Fee Starting in April 2020 Factored into Pro Forma Adjustments
11/5/2019	DAVIS, CHESTER A	115194	\$ 500.00	\$ 425.00	\$ 75.00	Reduction in Emeritus Fee Starting in April 2020 Factored into Pro Forma Adjustments
11/5/2019	DELTA DENTAL OF KENTUCKY, INC.	361677	\$ 471.68	\$ 112.01	\$ 359.67	Directors Pay a Portion of their Dental Premiums Starting in April 2020 Factored into Pro Forma Adjustments
11/5/2019	NRECA GROUP BENEFITS TRUST	19111076	\$ 191.48	\$ 144.08	\$ 47.40	Active Directors Pay a Portion of their Life and AD&D Insurance Starting in April 2020 Factored into Pro Forma Adjustments
11/5/2019	EAST KY POWER MEDICAL	1151913	\$ 2,422.38	\$ 1,923.56	\$ 498.82	Directors Pay a Portion of their Medical Premiums Starting in April 2020 Factored into Pro Forma Adjustments
11/5/2019	HAMPTON, ELBERT R	115195	\$ 1,009.28	\$ 509.28	\$ 500.00	Elimination of Monthly Stipend
11/5/2019	SHELLEY, VERNON	115198	\$ 1,554.52	\$ 554.52	\$ 1,000.00	Elimination of Monthly Stipend
12/3/2019	TOLLIVER, DELNO	123194	\$ 300.00	\$ 255.00	\$ 45.00	Reduction in Emeritus Fee Starting in April 2020 Factored into Pro Forma Adjustments
12/3/2019	FERGUSON, ROY	123195	\$ 300.00	\$ 255.00	\$ 45.00	Reduction in Emeritus Fee Starting in April 2020 Factored into Pro Forma Adjustments
12/3/2019	CREECH, KERMIT A	123196	\$ 500.00	\$ 425.00	\$ 75.00	Reduction in Emeritus Fee Starting in April 2020 Factored into Pro Forma Adjustments
12/3/2019	DAVIS, CHESTER A	123197	\$ 500.00	\$ 425.00	\$ 75.00	Reduction in Emeritus Fee Starting in April 2020 Factored into Pro Forma Adjustments
12/3/2019	VANOVER, ROGER D	1231913	\$ 500.00	\$ 425.00	\$ 75.00	Reduction in Emeritus Fee Starting in April 2020 Factored into Pro Forma Adjustments

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Witness: Robert Tolliver

Date	Vendor Name	Invoice	Amount	Include	Exclude	Reason for Exclusion
12/3/2019	HAMPTON, ELBERT R	123198	\$ 1,009.28	\$ 509.28	\$ 500.00	Elimination of Monthly Stipend
12/3/2019	SHELLEY, VERNON	1231911	\$ 1,554.52	\$ 554.52	\$ 1,000.00	Elimination of Monthly Stipend
12/4/2019	DELTA DENTAL OF KENTUCKY, INC.	368541	\$ 471.68	\$ 112.01	\$ 359.67	Directors Pay a Portion of their Dental Premiums Starting in April 2020 Factored into Pro Forma Adjustments
12/4/2019	NRECA GROUP BENEFITS TRUST	19121077	\$ 191.48	\$ 144.08	\$ 47.40	Active Directors Pay a Portion of their Life and AD&D Insurance Starting in April 2020 Factored into Pro Forma Adjustments
12/4/2019	EAST KY POWER MEDICAL	1241911	\$ 2,422.38	\$ 1,923.56	\$ 498.82	Directors Pay a Portion of their Medical Premiums Starting in April 2020 Factored into Pro Forma Adjustments
			\$ 71,299.95	\$ 45,277.06	\$ 26,022.89	

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3. Refer to Cumberland Valley Electric's response to Staff's First Request for Information (Staff's First Request), Item 1. Cumberland Valley Electric proposes a revenue neutral design for Sch 2 C1. In the current rate design, the energy rates are the same for Sch 2 C1 and Sch 2 C2. In addition, Cumberland Valley Electric also confirms that it is not seeking an increase in the Sch 2 C1 demand charge of \$4.22.
 - a. Explain whether Cumberland Valley Electric supports a revenue neutral design in which the energy charge for Sch 2 C2's energy rates is the same as Sch 2 C1's energy rates, and the demand rate is increased so that it is closer or meets East Kentucky Power Cooperative, Inc.'s Rate Schedule E-2 demand charge of \$6.02.
 - b. Explain whether Cumberland Valley Electric supports a revenue neutral design for the other class demand rates that are currently set at \$4.22.

Response:

- a. Cumberland Valley Electric does not support the suggested revision for a number of reasons.

First, it is not necessary that the energy charges for Sch II C1 and Sch II C2 remain equivalent, particularly since C2 has a demand charge but C1 does not. The cost of service study supports different energy charges for these two rate classes; see Exhibit JW-3, page 2 of 2.

Second, and more importantly, revising the retail demand charge of \$4.22 per kW such that it is closer to or meets the wholesale demand charge of \$6.02 per kW is not a reasonable or appropriate objective, because the two demand charges are not calculated on the same basis, nor do they serve the same purpose.

The wholesale demand charge of \$6.02 per kW is applied to Cumberland Valley Electric's Coincident Peak ("CP") demand, or the total system load that occurs at the time of the EKPC peak. This charge is designed to recover EKPC's fixed cost of production and transmission, and is applied to Cumberland Valley Electric so EKPC can recover Cumberland Valley Electric's share of those costs. On the other hand, Cumberland Valley Electric applies the retail demand charge of \$4.22 per kW to the individual large power member's Non-Coincident Peak ("NCP") demand, or the maximum load of the particular customer, regardless of when it occurs. This charge is designed to recover not only the individual member's share of Cumberland Valley Electric's wholesale purchased power cost, but also the member's share of Cumberland Valley Electric's fixed distribution costs. Thus, setting the two charges equal is not an appropriate objective function.

Finally, Cumberland Valley Electric's aim in this case was to resolve the immediate revenue deficiency by addressing the most substantial inter-class subsidization issue, i.e. the significant subsidization of the residential class by all of the other classes. Put more simply, Cumberland Valley Electric's major "rate problem" is that the residential customer charge is much too low, and as a result the residential rate class revenues do not cover the cost to serve, so Cumberland Valley filed this streamlined rate case to address that problem. While additional rate design changes are permissible in streamlined rate cases, and may be supported by the cost of service study results, Cumberland Valley Electric elected

to approach rate design more gradually, to tackle the biggest problem first and foremost, and to minimize the number of other rate revisions in this particular streamlined filing.

- b. Cumberland Valley Electric does not support the suggested revision. Please see the response to part a.

Witnesses: Robert Tolliver and John Wolfram

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4. Refer to Cumberland Valley Electric's response to Staff's First Request Item 2. Cumberland Valley Electric states that a CSR employee retired in October 2020 and the position will not be filed.
 - a. Identify the employee by number reference on tab 1.10 of CVE_Rev_Req_FILED.xlsx.
 - b. Explain whether Cumberland Valley Electric agrees that the employee wages should be excluded from the test year.

Response:

- a. The employee referenced is number 1231.
- b. Cumberland Valley Electric agrees that it is appropriate to exclude these wages from the revenue requirement and has removed them in the updated Reference Schedule 1.10. Please see the updated calculations provided in response to Item 14.

Cumberland Valley Electric, Inc.
Case No. 2020-00264
Commission Staff's Supplemental Data Requests

5. Refer to Cumberland Valley Electric's response to Staff's First Request Item 2. Explain the increase in interest on long-term debt since 2016 of \$346,055.

Response:

The increase in interest expense since 2016 is mainly a result of the increase in the variable interest rate. An additional draw down of RUS approved funds in February 2019 in the amount of \$4,000,000 also contributed to the increase.

Cumberland Valley Electric, Inc.
Case No. 2020-00264
Commission Staff's Supplemental Data Requests

6. Refer to Cumberland Valley Electric's response to Staff's First Request Item 9c. Provide any updates, if available, to the Times Interest Earned Ratio (TIER) and Debt Service Coverage (DSC).

Response:

The table below shows the monthly Times Interest Earned Ratio (TIER) and Debt Service Coverage (DSC) for September 2020 and October 2020.

Month (2020)	TIER	DSC
September	1.01	1.55
October	0.84	1.59

Cumberland Valley Electric, Inc.
Case No. 2020-00264
Commission Staff's Supplemental Data Requests

7. Refer to Cumberland Valley Electric's response to Staff's First Request Item 24. Confirm that the sum of the items in the table is \$2,150,794.43 rather than \$2,250,794.43.

Response:

The correct amount is \$2,250,794.43. Cumberland Valley has provided the corrected table below. (Also, the correct value was used in the cost of service study, so no revision is required to Exhibits JW-3 through JW-8.)

Account	Description	2019 Year End Balance
390.00	STRUCTURES CUMBERLAND RADIO SHACK	\$ 5,381.58
390.10	STRUCTURES-IMPROVE-GRAY OFFICE	\$ 1,186,243.79
390.15	STRUCTURES-IMPROVE-GRAY ENGINEERING	\$ 185,660.91
390.17	STRUCT-IMPROV GRAY TRANSPORTATION BLDG	\$ 86,660.95
390.18	STRUCT-IMPROV GRAY TRANSPORTATION #2 BLDG	\$ 189,623.00
390.19	STRUCT-GENERATOR BLDG-GRAY	\$ 33,473.47
390.20	STRUCTURES CUMBERLAND OFFICE	\$ 481,052.21
390.21	STRUCTURES CUMBERLAND GARAGE	\$ 82,699.02
Account 390 Total		\$ 2,250,794.93

Witnesses: Robert Tolliver and John Wolfram

Cumberland Valley Electric, Inc.
Case No. 2020-00264
Commission Staff's Supplemental Data Requests

8. Refer to Tab 1.03 of CVE_Rev_Req_FILED.xlsx. Provide an explanation for the \$6,358 test-year amount on line 12, cell E22, and the rationale for reducing the amortization of rate case expense.

Response:

The \$6,358 was rate case cost booked in 2019. See attached invoices. In Reference Schedule 1.03, the full anticipated rate case cost amortization was calculated first; this was \$27,250. However, since \$6,358 of rate case costs were already included in the total test year expense, only the remaining rate case expense amortization (or $\$27,250 - \$6,358 = \$20,892$) was added to test year expenses as a pro forma adjustment. The rationale was to avoid double counting the \$6,358. When taken together with the test year amounts, the full rate case cost amortization of \$27,250 was included in the revenue requirement.

However, Cumberland Valley Electric has since noted that \$979.70 of the \$6,358 is actually related to the prior rate case but was inadvertently included in this adjustment; the \$979.70 should be removed. For this reason and because the actual rate case expenses are now known, Cumberland Valley Electric provides a simplified, updated calculation of the rate case cost adjustment on Reference Schedule 1.03, with a new column showing the updated values, provided in the response to Item 14.

Cumberland Valley Electric

Estimated Rate Case Expenses

Legal Services	\$ 40,750.00
Consulting/COS Study	\$ 15,000.00
Expenses/Costs	\$ 1,000.00
Customer Notice	\$ 25,000.00
	<u>\$ 81,750.00</u>

Incurred Rate Case Expenses

Date	Reference	Amount	Name
6/30/2019	CONSULTING SUPPORT	\$ 2,140.86	CATALYST CONSULTING LLC
8/7/2019	CONSULTING SUPPORT	\$ 1,572.50	CATALYST CONSULTING LLC
8/31/2019	CONSULTING SUPPORT	\$ 1,665.00	CATALYST CONSULTING LLC
1/31/2020	CONSULTING SUPPORT	\$ 1,387.50	CATALYST CONSULTING LLC
1/31/2020	LEGAL SERVICES	\$ 1,564.00	GOSS-SAMFORD
2/28/2020	CONSULTING SUPPORT	\$ 555.00	CATALYST CONSULTING LLC
3/25/2020	LEGAL SERVICES	\$ 1,312.90	GOSS-SAMFORD
5/31/2020	CONSULTING SERVICES	\$ 647.50	CATALYST CONSULTING LLC
6/16/2020	LEGAL SERVICES	\$ 59.00	GOSS-SAMFORD
6/30/2020	CONSULTING SERVICES	\$ 555.00	CATALYST CONSULTING LLC
7/31/2020	CONSULTING SERVICES	\$ 1,480.00	CATALYST CONSULTING LLC
8/19/2020	LEGAL SERVICES	\$ 1,564.08	GOSS-SAMFORD
8/31/2020	CONSULTING SERVICES	\$ 2,497.50	CATALYST CONSULTING LLC
8/31/2020	LEGAL SERVICES	\$ 885.00	PATRICK HAUSER, W
8/31/2020	LEGAL SERVICES	\$ 11,169.50	GOSS-SAMFORD
9/30/2020	CONSULTING SERVICES	\$ 2,220.00	CATALYST CONSULTING LLC
9/30/2020	CLASSIFIED AD - NOTICE	\$ 566.64	MIDDLESBORO DAILY NEWS
9/30/2020	CLASSIFIED AD - NOTICE	\$ 966.00	NEWS JOURNAL
9/30/2020	CLASSIFIED AD - NOTICE	\$ 379.69	MOUNTAIN ADVOCATE MEDIA
9/30/2020	CLASSIFIED AD - NOTICE	\$ 566.64	HARLAN DAILY ENTERPRISE
9/30/2020	CLASSIFIED AD - NOTICE	\$ 547.80	TIMES TRIBUNE
9/30/2020	CLASSIFIED AD - NOTICE	\$ 810.90	PINEVILLE SUN
9/30/2020	CLASSIFIED AD - NOTICE	\$ 390.00	THE MCCREARY COUNTY VOICE
9/30/2020	LEGAL SERVICES	\$ 18,189.21	GOSS-SAMFORD
10/31/2020	CONSULTING SERVICES	\$ 740.00	CATALYST CONSULTING LLC
10/31/2020	CLASSIFIED AD - NOTICE	\$ 759.38	MOUNTAIN ADVOCATE MEDIA
10/31/2020	POSTAGE	\$ 17.60	USPS
10/31/2020	CLASSIFIED AD - NOTICE	\$ 547.80	THE SENTINEL ECHO
11/16/2020	CONSULTING SERVICES	\$ 2,405.00	CATALYST CONSULTING LLC
11/16/2020	LEGAL SERVICES	\$ 3,884.94	GOSS-SAMFORD
11/30/2020	POSTAGE	\$ 47.30	USPS
		<u>\$ 62,094.24</u>	

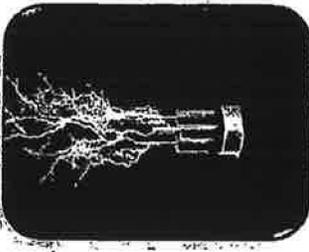
Summary Incurred Rate Case Expenses

Legal Services/Rate Case	\$ 38,628.63
Consulting/COS Study/Rate Case	\$ 17,865.86
Customer Notice	\$ 5,534.85
Expense/Costs	\$ 64.90
	<u>\$ 62,094.24</u>

For Exhibit JW-2 Reference Schedule 1.03

Legal - Goss Samford PLLC	\$ 37,743.63
Legal - W. Patrick Hauser, P.S.C.	\$ 885.00
Consulting - Catalyst Consulting LLC	\$ 17,865.86
Advertising	\$ 5,534.85
Supplies / Misc	\$ 64.90
TOTAL	<u>\$ 62,094.24</u>

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CATAYST
CONSULTING LLC

3308 Haddon Road
Louisville, KY 40241
(502) 599-1739
johnwolfram@catalystcllc.com

INVOICE

Date: July 1, 2019	Invoice #: 190613
Client: Cumberland Valley Electric, Inc. P.O. Box 440 Gray, KY 40734	Project: 2018 Cost of Service & Rate Review Case No. _____
Attn: Robert Tolliver	For Services Provided in June 2019

Item	Description	Qty	Rate	Amt
1	Consulting Services John Wolfram – consulting support for 2018 Cost of Service & Rate Review. Review prior CVE orders and streamlined rate filing order. Travel to CVE on 6/27 and discuss financials and strategic options with team. Calls or emails with CVE staff and counsel on same.	10.5 Hours	\$185.00	\$ 1,942.50
2	Mileage 6/27 Roundtrip travel to CVE	342	0.580	\$ 198.36
TOTAL				\$ 2,140.86

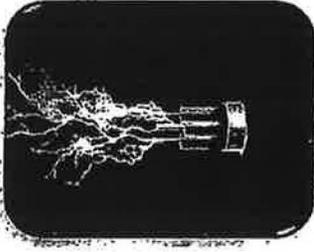
Please remit payment to Catalyst Consulting LLC at the address listed above. Thank you.

Kept

CUMBERLAND VALLEY RECC
 Vend # open Ven. 38719
 By PO # _____
 App. By & Date RF 7/1/19
 DATE **JUL 01 2019**
 REC'D
 Date Paid 7-3-19
 Check # 79223
 Account # 928.00 = 2,140.86
 Acct. Date 6/30/19
 Due Date 7/1/19

OK R.T.
 Page 4 of 13
 John Wolfram
 JIC
 ZQ

Witnesses: Robert Tolliver and John Wolfram



CATALYST

CONSULTING LLC

3308 Haddon Road
 Louisville, KY 40241
 (502) 599-1739
 johnwolfram@catalystcllc.com

INVOICE

Date: August 3, 2019	Invoice #: 190717
Client: Cumberland Valley Electric, Inc. P.O. Box 440 Gray, KY 40734 Attn: Robert Tolliver	Project: 2018 Cost of Service & Rate Review Case No. _____ For Services Provided in July 2019

Item	Description	Qty	Rate	Amt
1	Consulting Services John Wolfram – consulting support for 2018 Cost of Service & Rate Review. Prepare present and proposed rate analysis. Conduct sensitivity analysis. Calls or emails with CVE staff and counsel on same.	8.5 Hours	\$185.00	\$ 1,572.50
TOTAL				\$ 1,572.50

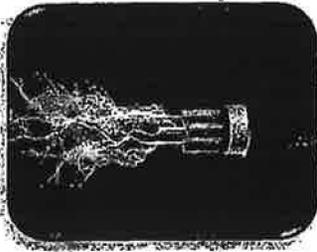
Please remit payment to Catalyst Consulting LLC at the address listed above. Thank you.



CUMBERLAND VALLEY RECC

Vend # 38719
 By PO # _____
 App. By & Date BPC 8/5/19

DATE REC'D AUG 05 2019
 Date Paid 8-7-19
 Check # 79465
 Account # 928.00 - 1,572.50
 Acct. Date 8/5/19
 Due Date 8/5/19



CATAYST
CONSULTING LLC

3308 Haddon Road
 Louisville, KY 40241
 (502) 599-1739
 johnwolfram@catalystllc.com

INVOICE

Date: September 1, 2019	Invoice #: 190811
Client: Cumberland Valley Electric, Inc. P.O. Box 440 Gray, KY 40734 Attn: Robert Tolliver	Project: 2018 Cost of Service & Rate Review Case No. _____ For Services Provided in August 2019

Item	Description	Qty	Rate	Amt
1	Consulting Services John Wolfram – consulting support for 2018 Cost of Service & Rate Review. Complete draft COSS. Calls or emails with CVE staff and counsel on same.	9.0 Hours	\$185.00	\$ 1,665.00
TOTAL				\$ 1,665.00

Please remit payment to Catalyst Consulting LLC at the address listed above. Thank you.

Lopez

CUMBERLAND VALLEY RECC
 Vend # 38719
 By PO #
 App. By & Date BRC 9/3/19

 DATE **SEP 03 2019**
 RECD 9-4-19
 Date Paid 9-4-19
 Check # 79650
 Account # 92800 = 1,665.00
 Acct. Date 8/31/19
 Due Date 9/3/19

10/22/2020 INV #98260. Orig. Amount \$379.69.
 10/29/2020 INV #98325. Orig. Amount \$379.69.

*of
 Led*

379.69
 379.69
 Item 8
 Page 6 of 379.69
 Witness: Robert Tolliver and John Wolf

CUMBERLAND VALLEY RECC
 Vend # 38003
 By PO # -
 App. By & Date BPC 11/6/20

DATE REC'D - NOV 06 2020

Date Paid 11-6-20
 Check # 82806
 Account # 928.00 - 759.38
 Acct. Date 10/31/20
 Due Date 11/6/20

©2003 INTUIT INC. # 106 1-800-433-8810

CURRENT	1-30 DAYS PAST DUE	31-60 DAYS PAST DUE	61-90 DAYS PAST DUE	OVER 90 DAYS PAST DUE	AMOUNT DUE
759.38	0.00	0.00	0.00	0.00	\$759.38

Mountain Advocate Media Inc 214 Knox Street Barbourville, KY 40906 (606) 546-9225

1106



Witnesses: Robert Tolliver and John Wolfram

Mountain Advocate Media Inc
214 Knox Street
Barbourville, KY 40906
(606) 546-9225

Invoice

Bill To
Cumberland Valley RECC Post Office Box 440 Gray, KY 40734

Date	Invoice #
10/22/2020	98260

A finance charge of 1.5% will be assessed on invoices not paid over 30 days from net due date (\$3.00 minimum).

P.O. No.	Terms	Acct No
	Net 30	5315

Item	Description	Quantity	Rate	Amount
Legal Advertising	Rate Notice		379.69	379.69

We appreciate your business. Please remit payment to the above address.	Total	\$379.69
	Payments/Credits	\$0.00
	Balance Due	\$379.69

Witnesses: Robert Tolliver and John Wolfram

Mountain Advocate Media Inc
214 Knox Street
Barbourville, KY 40906
(606) 546-9225

Invoice

Bill To
Cumberland Valley RECC Post Office Box 440 Gray, KY 40734

Date	Invoice #
10/29/2020	98325

A finance charge of 1.5% will be assessed on invoices not paid over 30 days from net due date (\$3.00 minimum).

P.O. No.	Terms	Acct No
	Net 30	5315

Item	Description	Quantity	Rate	Amount
Legal Advertising	Rate Notice		379.69	379.69

We appreciate your business. Please remit payment to the above address.	Total	\$379.69
	Payments/Credits	\$0.00
	Balance Due	\$379.69

Witnesses: Robert Tolliver and John Wolfram

Postage
Rate Case

GRAY P.O.
280 S KY 233
GRAY, KY 40734-9998
USPS 2033000295
1-800-275-8777
084294901

Term ID: 01
Clerk ID: 000003

sale

*****2653

VISA

Chip

TOTAL:

\$17.60

09/30/20

14:30:10

Inv #: 000006 Appr Code: 007345

Receipt #: 00000496

All Sales Final on Status and Postage.
Refunds for Guaranteed Services Only.

VISA CREDIT

AID: A0000000031010

AC: 49 17 EE 4D 1E 3E F0 2A

CVR: 5E 00 00

IAD: 06010A03600000

ARC: 00

TVR: 80 80 00 80 00

TSI: 68 00

CUSTOMER COPY

Order Status at USPS.com/shop or call
1-800-Stamp24. Go to
USPS.com/licknship to print shipping
labels with postage. For other info call
1-800-ASK-USPS.

Postage
Rate Case

GRAY P.O.
280 S KY 233
GRAY, KY 40734-9998
USPS 2033000295
1-800-275-8777
084294901

Term ID: 01
Clerk ID: 000003

sale

*****2853

VISA Chip

TOTAL: \$20.95

10/22/20 10:52:36
Inv #: 000001 Appr Code: 006774
Receipt #: 00000610

All Sales Final on Stamps and Postage.
Refunds for Guaranteed Services Only

VISA CREDIT

AID: A000000u031010
AC: 45 84 4B AA AE 64 B1 A9
CVR: 5E 00 00
IAD: 06010A03608000
ARC: 00
TVR: 80 80 00 80 00
TSI: 68 00

CUSTOMER COPY

Order Stamps at USPS retailshop or call
1-800-Stamps24 Go to
USPS.com/retailshop to order shipping
labels with postage For other info call
1-800-ASK-USPS.

VISA MAIL
Newspaper

GRAY P. O.
280 S KY 233
GRAY, KY 40734-5998
USPS 2033000295
1-800-275-8777
084294901

Term ID: 01
Clerk ID: 000004

sale

*****2653

VISA Chip

TOTAL: \$26.35

10/27/20 15:38:49

Inv #: 000006 Appr Code: 002473

Receipt #: 00000631

All Sales Final on Stamps and Postage.
Refunds for Guaranteed Services Only.

VISA CREDIT

AID: A0000000031010

AC: AC 8A AF C7 D1 97 52 E3

CVR: 5E 00 00

IAD: 06010A03600000

ARC: 00

TVR: 80 80 00 80 00

TST: 68 00

CUSTOMER COPY

Order Stamps at USPS.com/shop or call
1-800-Stamp24. Go to
USPS.com/links/ship to print shipping
labels with postage. For other info call
1-800-ASK-USPS.

Witnesses: Robert Tolliver and John Wolfram

M 1

The Sentinel-Echo
P.O. Box 830
London, KY 40743
(606) 878-7400

1) Billing Period		2) Advertiser/Client Name	
09/01/20 - 09/30/20		CUMBERLAND VALLEY ELECTRI	
23) Total Amount Due		Unapplied Amount	3) Terms of Payment
547.80			
21) Current Net Amount Due	22) 30 Days	60 Days	Over 90 Days
547.80	0.00	0.00	0.00
4) Page Number	5) Billing Date	6) Billed Account Number	7) Advertiser/Client Number
1	09/30/20	14706	14706

Advertising Invoice and Statement

8) Billed Account Name and Address		9) Remittance Address	
CUMBERLAND VALLEY ELECTRIC P.O. BOX 440 GRAY, KY 40734		THE SENTINEL ECHO 123 WEST FIFTH STREET PO BOX 830 LONDON KY 40743	

10) Date	11) Newspaper Reference	12) (13) (14) Description-Other Comments/Charges	15) SAU Size 16) Billed Units	17) Times Run 18) Rate	19) Gross Amount	20) Net Amount
		PREVIOUS BALANCE				0.00
09/16	LEG SE	NOTICE	4x5.50	1	182.60	182.60
	SE		22.00	8.300		
09/23	LEG SE	NOTICE	4x5.50	1	182.60	182.60
	SE		22.00	8.300		
09/30	LEG SE	NOTICE	4x5.50	1	182.60	182.60
	SE		22.00	8.300		

Statement of Account - Aging of Past Due Amounts

21) Current Net Amount Due	22) 30 Days	60 Days	Over 90 Days	Unapplied Amount	23) Total Amount Due
547.80	0.00	0.00	0.00		547.80

The Sentinel-Echo
P.O. Box 830
London, KY 40743
(606) 878-7400

Accounts 30 days old - charged 1 1/2% per month service charge. ANNUAL RATE 18%.

* Unapplied amounts are included in Total Amount Due

24) Invoice Number		25) Advertiser Information			
1) Billing Period	6) Billed Account Number	7) Advertiser/Client Number	2) Advertiser/Client Name		
09/01/20 - 09/30/20	14706	14706	CUMBERLAND VALLEY ELECTRI		

The Sentinel-Echo
 P.O.Box 830
 London, KY 40743
 (606) 878-7400

1 Billing Period		2 Advertiser/Client Name		Page 13 of 13	
OCTOBER 2020		CUMBERLAND VALLEY ELECTRI		Witnesses: Robert Tolliver and John Wolfram	
23 Total Amount Due		*Unapplied Amount		3 Terms of Payment	
556.02				NEW 30 DAYS	
21 Current Net Amount Due		22 30 Days	60 Days	Over 90 Days	
8.22		547.80	0.00	0.00	
4 Page Number	5 Billing Date		6 Billed Account Number		7 Advertiser/Client Number
1	10/31/20		14706		14706

Advertising Invoice and Statement

8 Billed Account Name and Address		9 Remittance Address	
CUMBERLAND VALLEY ELECTRIC P.O. BOX 440 GRAY, KY 40734		THE SENTINEL ECHO 123 WEST FIFTH STREET PO BOX 830 LONDON KY 40743	

10 Date	11 Newspaper Reference	12 13 14 Description-Other Comments/Charges	15 SAU Size 16 Billed Units	17 Times Run 18 Rate	19 Gross Amount	20 Net Amount
		PREVIOUS BALANCE				547.80
10/31		SERV. CHG AT 1.500% SALESREP: TRISH HUMPHREY <i>Per Trish, waived service charge see email attached</i>			8.22	8.22

Statement of Account - Aging of Past Due Amounts

21 Current Net Amount Due	22 30 Days	60 Days	Over 90 Days	*Unapplied Amount	23 Total Amount Due
8.22	547.80	0.00	0.00		556.02

The Sentinel-Echo
 P.O. Box 830
 London, KY 40743
 (606) 878-7400

Accounts 30 days old - charged 1 1/2% per month service charge. ANNUAL RATE 18%.

* Unapplied amounts are included in Total Amount Due

24 Invoice Number	25 Advertiser Information:				
100141	1 Billing Period	6 Billed Account Number	7 Advertiser/Client Number	2 Advertiser/Client Name	
	OCTOBER 2020	14706	14706	CUMBERLAND VALLEY ELECTRI	

Cumberland Valley Electric, Inc.
Case No. 2020-00264
Commission Staff's Supplemental Data Requests

9. In Case No. 2016-00169, the Commission found that Cumberland Valley Electric's rate case expense would be \$151,676 and should be amortized over three years, or \$50,559 per year. Provide the amortization schedule that Cumberland Valley Electric followed and the amount expensed in each year and if any amount was included in the test year.

Response:

Rate case expenses are expensed when incurred for book purposes and are amortized over three years for ratemaking purposes, so there is no amortization schedule for accounting purposes. The amortization noted in the question was used for ratemaking purposes. As noted in the response to Commission Staff's First Request for Information Item 25, Cumberland Valley noted that an additional \$979.70 of rate case costs from the prior rate case were included in the test year and should be removed. Please see the response to Item 8.

Cumberland Valley Electric, Inc.
Case No. 2020-00264
Commission Staff's Supplemental Data Requests

10. For the test year, provide a list of all board or directors receiving any payment or benefit from Cumberland Valley Electric, the amount of the payment or benefit, the reason for the payment or benefit, and the amount included in the test year.

Response:

Refer to page 2 of this response for a list of the Board of Directors who received payments or benefits from Cumberland Valley.

Cumberland Valley Electric, Inc.
Case No. 2020-00264
Commission Staff's Second Request for Information

Description	Reason/Explanation of Payment or Benefit	Benefits or Payment to Director (Vernon Shelley)		Benefits or Payment to Director (Eibert Hampton)	
		Total 2019 Expense Amount	Amount Included in the Test Year	Total 2019 Expense Amount	Amount Included in the Test Year
Monthly Board Fee	Fee paid to directors attending the monthly board meeting	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00
Monthly Board Meeting Mileage	Mileage paid to directors attending the monthly board meeting	\$ 654.24	\$ 654.24	\$ 111.36	\$ 111.36
Meeting Fee	Fee paid to directors for attending meeting/training (\$300/day)	\$ -	\$ -	\$ -	\$ -
Reimbursed Travel Expenses	Reimbursement of expenses incurred during training/meeting on CVE's behalf	\$ -	\$ -	\$ -	\$ -
Stipend	Stipend to cover cost of health insurance (terminated April 1st, 2020)	\$ 12,000.00	\$ 3,000.00	\$ 6,000.00	\$ 1,500.00
Health Insurance	Health Insurance provided to Members of the Board	\$ -	\$ -	\$ -	\$ -
Admin for Insurance	Administrative costs for Health Insurance	\$ -	\$ -	\$ -	\$ -
Dental Insurance	Dental Insurance provided to Members of the Board	\$ 1,415.04	\$ 353.76	\$ -	\$ (159.21) ¹
Life Insurance	Life Insurance provided to Members of the Board	\$ 290.04	\$ 110.82	\$ 264.60	\$ 237.51
AD&D Insurance	AD&D Insurance provided to Members of the Board	\$ 32.76	\$ 10.51	\$ 32.76	\$ 29.07
Total		\$ 20,392.08	\$ 10,129.33	\$ 12,408.72	\$ 7,718.73

Description	Reason/Explanation of Payment or Benefit	Benefits or Payment to Director (Kevin Moses)		Benefits or Payment to Director (James Lewis)	
		Total 2019 Expense Amount	Amount Included in the Test Year	Total 2019 Expense Amount	Amount Included in the Test Year
Monthly Board Fee	Fee paid to directors attending the monthly board meeting	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00
Monthly Board Meeting Mileage	Mileage paid to directors attending the monthly board meeting	\$ -	\$ -	\$ 835.20	\$ 835.20
Meeting Fee	Fee paid to directors for attending meeting/training (\$300/day)	\$ 900.00	\$ 600.00	\$ 2,100.00	\$ 2,100.00
Reimbursed Travel Expenses	Reimbursement of expenses incurred during training/meeting on CVE's behalf	\$ 8,331.34	\$ 7,075.45	\$ 684.60	\$ 684.60
Stipend	Stipend to cover cost of health insurance (terminated April 1st, 2020)	\$ -	\$ -	\$ -	\$ -
Health Insurance	Health Insurance provided to Members of the Board	\$ 12,106.08	\$ 10,496.16	\$ -	\$ -
Admin for Insurance	Administrative costs for Health Insurance	\$ 1,595.80	\$ 1,595.80	\$ -	\$ -
Dental Insurance	Dental Insurance provided to Members of the Board	\$ 1,415.04	\$ 1,255.83	\$ 1,297.12	\$ 1,137.91
Life Insurance	Life Insurance provided to Members of the Board	\$ 508.80	\$ 456.69	\$ 466.40	\$ 414.29
AD&D Insurance	AD&D Insurance provided to Members of the Board	\$ 50.40	\$ 44.73	\$ 46.20	\$ 40.53
Total		\$ 30,907.46	\$ 27,524.66	\$ 11,429.52	\$ 11,212.53

Description	Reason/Explanation of Payment or Benefit	Benefits or Payment to Director (Lansford Lay)	
		Total 2019 Expense Amount	Amount Included in the Test Year
Monthly Board Fee	Fee paid to directors attending the monthly board meeting	\$ 6,000.00	\$ 6,000.00
Monthly Board Meeting Mileage	Mileage paid to directors attending the monthly board meeting	\$ 654.24	\$ 654.24
Meeting Fee	Fee paid to directors for attending meeting/training (\$300/day)	\$ 300.00	\$ 300.00
Reimbursed Travel Expenses	Reimbursement of expenses incurred during training/meeting on CVE's behalf	\$ -	\$ -
Stipend	Stipend to cover cost of health insurance (terminated April 1st, 2020)	\$ -	\$ -
Health Insurance	Health Insurance provided to Members of the Board	\$ 16,962.48	\$ 14,778.90
Admin for Insurance	Administrative costs for Health Insurance	\$ 1,595.80	\$ 1,595.80
Dental Insurance	Dental Insurance provided to Members of the Board	\$ 1,415.04	\$ 1,255.83
Life Insurance	Life Insurance provided to Members of the Board	\$ 508.80	\$ 456.69
AD&D Insurance	AD&D Insurance provided to Members of the Board	\$ 50.40	\$ 44.73
Total		\$ 27,486.76	\$ 25,086.19

¹ The amount of (\$159.21) is for the pro forma adjustment for Directors contribution to Dental premiums beginning April 1, 2020. As a retired employee this directors dental insurance expense is not booked to 930,10. The (\$159.21) is listed in this schedule to be consistent with the pro forma adjustments listed in Exhibit JW-2 Page 13 of 25 of the Application.

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11. Provide the number of times that the board of directors met in the test year and which members attended.

Response:

In 2019, Cumberland Valley had twelve regular board meetings and a thirteenth following its annual membership meeting. Cumberland Valley has provided below the list of all board meetings held in 2019, along with the board members who attended.

Board Meeting Date	Attendees
January 10, 2019	Vernon Shelley (Chairman), Elbert Hampton (Vice-Chairman), Lansford Lay (Secretary-Treasurer), James D Lewis (Director) and Kevin Moses (Director)
February 21, 2019	Vernon Shelley (Chairman), Elbert Hampton (Vice-Chairman), Lansford Lay (Secretary-Treasurer), James D Lewis (Director) and Kevin Moses (Director)
March 14, 2019	Vernon Shelley (Chairman), Elbert Hampton (Vice-Chairman), Lansford Lay (Secretary-Treasurer), James D Lewis (Director) and Kevin Moses (Director)
April 11, 2019	Vernon Shelley (Chairman), Elbert Hampton (Vice-Chairman), Lansford Lay (Secretary-Treasurer), James D Lewis (Director) and Kevin Moses (Director)
May 9, 2019	Vernon Shelley (Chairman), Elbert Hampton (Vice-Chairman), James D Lewis (Director) and Kevin Moses (Director)
June 7, 2019 (Annual Membership Meeting)	Vernon Shelley (Chairman), Elbert Hampton (Vice-Chairman), Lansford Lay (Secretary-Treasurer), James D Lewis (Director) and Kevin Moses (Director)
June 13, 2019	Vernon Shelley (Chairman), Elbert Hampton (Vice-Chairman), Lansford Lay (Secretary-Treasurer) and Kevin Moses (Director)
July 18, 2019	Vernon Shelley (Chairman), Elbert Hampton (Vice-Chairman), Lansford Lay (Secretary-Treasurer), James D Lewis (Director) and Kevin Moses (Director)

Board Meeting Date	Attendees
August 8, 2019	Vernon Shelley (Chairman), Elbert Hampton (Vice-Chairman), Lansford Lay (Secretary-Treasurer), James D Lewis (Director) and Kevin Moses (Director)
September 12, 2019	Elbert Hampton (Vice-Chairman), Lansford Lay (Secretary-Treasurer), James D Lewis (Director) and Kevin Moses (Director)
October 22, 2019	Vernon Shelley (Chairman), Elbert Hampton (Vice-Chairman), Lansford Lay (Secretary-Treasurer), James D Lewis (Director) and Kevin Moses (Director)
November 14, 2019	Vernon Shelley (Chairman), Elbert Hampton (Vice-Chairman), Lansford Lay (Secretary-Treasurer), James D Lewis (Director) and Kevin Moses (Director)
December 12, 2019	Vernon Shelley (Chairman), Elbert Hampton (Vice-Chairman), Lansford Lay (Secretary-Treasurer), James D Lewis (Director) and Kevin Moses (Director)

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12. Provide an explanation of why meeting fees paid to board members is not uniform.

Response:

Base monthly board meeting fees are the same and uniform for all directors. The differences in the amounts paid to individual board members per month are the result of stipends paid to promote fairness between board members since some were receiving health insurance benefits and some were not.

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13. Provide cost support for each of the following nonrecurring charges:
- a. Returned Check
 - b. Meter Reading
 - c. Collection
 - d. Reconnect
 - e. Meter Tests
 - f. Reconnect-Overtime

Response:

The requested support for items (a) through (f) is provided in the attachment. Some of the estimated values support a charge lower than the current tariff, while others reflect a charge higher than the current tariff amount. On balance, Cumberland Valley Electric considers the current non-recurring charges to be reasonable.

Cumberland Valley Electric did not review these charges or propose any revisions to them in this case in order to keep the costs and scope of this filing low, consistent with the goals of the streamlined rate procedure.

Note that the revenue deficiency provided in Exhibit JW-2 was calculated on the premise that the non-recurring charges in the test period are representative going forward and thus were unchanged. If the Commission elects to revise any of these non-recurring charges, then a revision to the revenue deficiency is also required to capture any changes to annual revenue resulting from such changes. In other words, if any non-recurring charges were decreased, then base rates would have to be increased to offset that decrease in non-recurring charge revenues. See Page 10 of 10.

**Cumberland Valley Electric
Non-Recurring Charge Support**

Returned Check				
<u>Employee</u>	<u>Time/Min</u>	<u>Labor Rate/hr</u>	<u>Overhead Rate</u>	<u>Cost</u>
CSR			54%	\$
Bookkeeper			54%	\$
Accountant			65%	\$
 <u>Mailing</u>				
Paper				\$ 0.01
Envelope				\$ 0.04
Postage				\$ 0.55
Total Cost				\$ 23.47

Returned check items arrive by mail and email. They are handled and processed by a CSR. This includes the opening and reviewing of the mail item and processing the returned item on the member's account. A returned check letter is then produced and mailed to the member. Cumberland Valley's Bookkeeper is responsible for retrieving all electronic checks returned for nonpayment, this process includes review email notification of a returned electronic check and logging into our payment gateway and retrieving information on the returned item. The accountant is involved in reconciling the returned items with our books.

**Cumberland Valley Electric
Non-Recurring Charge Support**

Meter Reading				
<u>Employee</u>	<u>Time/Min</u>	<u>Labor Rate/hr</u>	<u>Overhead Rate</u>	<u>Cost</u>
Serviceman	█	█	54%	\$ █
CSR	█	█	54%	\$ █
<u>Transportation</u>	<u>Average Miles</u>	<u>Rate/Mile</u>		
Service Truck	25	0.55		\$ 13.75
TOTAL COST				<u>\$ 62.56</u>

Meter readings involve the creation of a service order by a CSR, this service order instructs the Serviceman to go and obtain a meter reading at the desired location. Once the Serviceman receives the service order he will then drive to the location and retrieve the meter reading, he then submits this reading back to the office. Once back in the office the service order is processed and closed by a CSR.

**Cumberland Valley Electric
Non-Recurring Charge Support**

Collection				
<u>Employee</u>	<u>Time/Min</u>	<u>Labor Rate/hr</u>	<u>Overhead Rate</u>	<u>Cost</u>
Serviceman	█	█	54%	\$ █
CSR	█	█	54%	\$ █
<u>Transportation</u>	<u>Average Miles</u>	<u>Rate/Mile</u>		
Service Truck	25	0.55		\$ 13.75
				TOTAL COST <u>\$ 62.56</u>

Cumberland Valley's costs for a collection fee would be the same as those for a trip fee, manual reconnect or meter reading. All of these fees would include the creation of a service order, a trip to the members location by the serviceman and then the processing and closing of the service order by a CSR.

**Cumberland Valley Electric
Non-Recurring Charge Support**

Manual Reconnect/Disconnect				
<u>Employee</u>	<u>Time/Min</u>	<u>Labor Rate/hr</u>	<u>Overhead Rate</u>	<u>Cost</u>
Serviceman			54%	\$
CSR			54%	\$
<u>Transportation</u>	<u>Average Miles</u>	<u>Rate/Mile</u>		
Service Truck	25	0.55		\$ 13.75
TOTAL COST				\$ 62.56

Cumberland Valley's costs for a manual reconnect or disconnect would be the same as those for a trip fee, collection or meter reading. All of these fees would include the creation of a service order, a trip to the members location by the serviceman and then the processing and closing of the service order by a CSR.

**Cumberland Valley Electric
 Non-Recurring Charge Support**

Auto Disconnect				
<u>Employee</u>	<u>Time/Min</u>	<u>Labor Rate/hr</u>	<u>Overhead Rate</u>	<u>Cost</u>
CSR			54%	\$
Bookkeeper			54%	\$
Billing Supervisor			65%	\$
Total Cost				\$ 11.43

The auto disconnect for non-payment process involves numerous steps. First the process has to be setup monthly by the Bookkeeper. Once the process runs the Billing Supervisor then reviews the accounts that are subject to disconnect, then issue the command to the meters to disconnect service. A CSR will then review the disconnected accounts to verify all charges are correct.

**Cumberland Valley Electric
Non-Recurring Charge Support**

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Auto Reconnect				
		Labor	Overhead	
<u>Employee</u>	<u>Time/Min</u>	<u>Rate/hr</u>	<u>Rate</u>	<u>Cost</u>
CSR	██████	██████	54%	\$ 9.41

Auto Reconnect of service on accounts that have been disconnect for non-payment is handled automatically by the billing and AMI software. A CSR must review each reconnected account for correct charges, service status, etc.

**Cumberland Valley Electric
Non-Recurring Charge Support**

Meter Tests				
<u>Employee</u>	<u>Time/Min</u>	<u>Labor Rate/hr</u>	<u>Overhead Rate</u>	<u>Cost</u>
Serviceman			54%	\$
CSR			54%	\$
Billing Supervisor			65%	\$
<u>Transportation</u>	<u>Average Miles</u>	<u>Rate/Mile</u>		
Service Truck	25	0.55		\$ 13.75
Meter Test Fee				\$ 5.99
TOTAL COST				\$ 88.99

Meter readings involve the creation of a service order by a CSR, this service order instructs the Serviceman to go and perform a meter exchange. Once the Serviceman receives the service order he will then drive to the location and perform the meter exchange, he then submits this service order back to the office and returns the removed meter to the meter shop. The meter is then sent to a lab to have a meter test performed. The service order is processed and closed by the CSR. When test results are recieved on the meter the Billing Supervisor will analysis the results and contact the member.

**Cumberland Valley Electric
 Non-Recurring Charge Support**

Reconnect-Overtime				
<u>Employee</u>	<u>Time/Min</u>	<u>Labor Rate/hr</u>	<u>Overhead Rate</u>	<u>Cost</u>
Serviceman	█	█	39%	\$ █
CSR	█	█	54%	\$ █
<u>Transportation</u>	<u>Average Miles</u>	<u>Rate/Mile</u>		
Service Truck	25	0.55		\$ 13.75
TOTAL COST				<u>\$ 77.62</u>

Reconnect-overtime fee would require a visit to the members location after normal working hours by a serviceman. The processing of the service order would most likely be done the following day during regular office hours by a CSR.

**Cumberland Valley Electric
Non-Recurring Charge Support**

Test Year Revenues

#	Charge	Qty	Rate	Revenue
1	Returned Check	497	\$20.00	\$ 9,940.00
2	Trip Fee	89	\$25.00	\$ 2,225.00
3	Disconnect Fee	1,566	\$25.00	\$ 39,150.00
4	Reconnect Fee	1,749	\$25.00	\$ 43,725.00
5	After Hours Reconnect Fee	-	\$65.00	\$ -
6	Meter Reading	-	\$25.00	\$ -
7	Collection	-	\$25.00	\$ -
8	Meter Tests	-	\$30.00	\$ -
9	Total			\$ 95,040.00

Amounts included in the test year as representative non-recurring revenue for ratemaking purposes

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14. Based on the responses and revisions indicated in Items 12, 13 and 24 to Staff's First Requests and any revisions above, provide an updated CVE_Rev_Req_FILED.xlsx.

Response:

Please see the uploaded file CVE_Rev_Req_UPDATED.xlsx

Note that even with all the revisions included, the revenue deficiency still exceeds the cap on increased revenues of 2.25 percent, pursuant to the streamlined rate procedures. In other words, the *allowed* revenue increase is still \$921,714 or 2.25 percent, as originally filed. For this reason, the rates proposed by Cumberland Valley Electric in this case--which yield an increase of \$921,195 due to rate rounding--remain just and reasonable due to the cap and should be approved as filed.